

and their counties, why should they suddenly have to pay for California which hasn't been? Clearly, they shouldn't. If we are going to have a no bailout bill, it ought to apply to California as well as to large financial institutions that have acted inappropriately and unwisely.

That is all this says. It doesn't say you are not going to be able to get your usual Federal assistance that comes through the usual course of action. That is a bit of hyperbole. I appreciate the intensity and energy of the Senator from Connecticut, but that is hyperbole. This is about not having Federal funds be available to States that are in default or about to go into default on their debt as a result of the actions of the State leadership as elected by the people of that State and not asking the people in the rest of the country to have to pay the cost of those inappropriate actions and those actions which were fiscally irresponsible. It seems like a proposal which is totally consistent with the basic purpose of this bill, which is to end bailouts.

I reserve the remainder of my time.

THE PRESIDING OFFICER. The Senator from Connecticut.

Mr. DODD. Mr. President, I will not take a long time to respond.

First of all, the distinction between a public company—and, again, my colleague is absolutely correct; we want to end bailouts of those companies, and we certainly want to discourage the kind of behavior that can put a county or a city or a community or a State in fiscal jeopardy.

But the legislation also looks backward. On page 2 of the amendment it says: "Municipal government, local government, or county government which has defaulted on its obligation." So it isn't just those that may default. Orange County, CA, for instance, defaulted, and worked itself out of its difficulties. But now I am to understand that because Orange County was in default a number of years ago, got out of its difficulties, yet the adoption of this amendment would preclude Orange County potentially from getting any kind of assistance. I don't understand that.

Again, there are a lot of reasons, aside from natural disasters, why this can happen. Some of them have nothing to do—a major industry which all of a sudden finds itself departed. How many times have we seen a company located in a State or a locality, particularly a county, that is the major employer, employs thousands of people, all of a sudden go offshore. There is a dramatic decline in tax revenues that come in. So that community's obligations to its citizenry on education, health, highways, everything else, all of a sudden are in jeopardy. That is not mismanagement of the government. It is that company made the decision to leave. All of a sudden we find an area in trouble and they turn to their national government for some help, and

we are saying: Well, because you are at risk of defaulting—not that you have defaulted; the language is, "is likely to default or at risk to default," you can't get any help because you might be in trouble, not because you have done anything wrong necessarily but because it has happened to you. I just feel that such a step would be draconian, in the extreme, when it comes to the people of our Nation who, from time to time, need help with that list of obligations that would have to be curtailed if a community is likely to or is at risk of defaulting or has defaulted on its obligations. Over what period of time? Are we talking about 10 years, 20 years, over 100 years? How far do I go back to determine whether someone has defaulted? What were the reasons for it that occurred at that time? It provides none of that relief, except that maybe it was a natural disaster.

Ms. STABENOW. Would my distinguished colleague yield for a question?

Mr. DODD. I am happy to yield.

Ms. STABENOW. First, I would say to our distinguished chair of the Banking Committee that when you describe communities where businesses have collapsed and left communities struggling, certainly we have many of those in Michigan. Through no fault of the communities, and many times through no fault of businesses in terms of our recession right now, we have many communities in this situation.

Would the Senator from Connecticut agree that what we are talking about is not the cities or counties but the local communities and what happens? It is people. It is whether they are going to have a police force, police on the street or whether they are going to have the firefighters being able to answer if there is a fire or whether they are going to be able to pick up the garbage or whether they are going to be able to do snow removal on the streets. Aren't we talking about whether communities—people, families, and communities—if they need help, whether we would be able to respond to them? So it is not about the government; it is about whom it serves and the people who would be hurt through something such as this; would the Senator agree?

Mr. DODD. Mr. President, my colleague from Michigan is absolutely correct and that was the point I made earlier and she makes it even more strongly. Again, I don't want to sound like I am in a civics class, but we are not just sort of a collection of disparate States and communities, we are a country, we are one Nation. It has been a great source of our strength. Our country has been through difficult times periodically, obviously through some natural disasters, through some manmade disasters. We are dealing with one as we speak. That is not a natural disaster occurring in the Gulf of Mexico; that is a manmade one. People didn't put in the proper safeguards and all of a sudden we are looking at the worst environmental disaster maybe in our Nation's history.

What do we say to the States of Louisiana or Alabama or Florida, depending upon where these currents flow, and all of a sudden we find major industries—tourism, for instance, in the State of Florida. I don't know what percentage of the economy of that State depends upon tourism, but I suspect a pretty heavy number. All of a sudden beaches are closed on the west coast of Florida. Maybe that current brings it around to the east coast. All of a sudden hotels and resort areas are shut down. The economy begins to falter. A manmade disaster, created through the fault of some engineers or whoever else, of an oil company: What do we say if this amendment was adopted? I am sorry, Florida. It is in danger of defaulting or at risk of defaulting on its obligations because the revenues that would come into that State through the normal exercise of its business practices was affected not by a natural disaster but by one created through the fault, malfeasance or misfeasance of a company that caused this kind of danger—or Louisiana, which has already been through a natural disaster and is now facing this one, or Alabama as well and its coastline.

So, again, for all these reasons, I urge my colleagues to reject this amendment. I thank my colleague from Michigan for making her points.

I reserve the remainder of my time, yield the floor, and note the absence of a quorum. I ask unanimous consent that the time be charged equally between the two sides.

THE PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. DODD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

THE PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 3884, AS MODIFIED

Mr. DODD. Mr. President, on behalf of Senator CANTWELL and others, I ask unanimous consent to send a modification to the desk.

THE PRESIDING OFFICER. Without objection, it is so ordered.

The amendment, as modified, is as follows:

At the end of subtitle C of title I, add the following:

SEC. 171. LIMITATIONS ON BANK AFFILIATIONS.

(a) **LIMITATION ON AFFILIATION.**—Beginning 2 years after the date of enactment of the Restoring American Financial Stability Act of 2010, no member bank may be affiliated, in any manner described in section 2(b), with any corporation, association, business trust, or other similar organization that is engaged principally in the issue, flotation, underwriting, public sale, or distribution at wholesale or retail or through syndicate participation stocks, bonds, debenture, notes, or other securities, except that nothing in this section shall apply to any such organization which shall have been placed in formal liquidation and which shall transact no business, except such as may be incidental to the liquidation of its affairs.